

News Release



Controller of the State of California - Kathleen Connell

300 Capitol Mall, Suite 1850

Sacramento, California 95814

Contact: Byron Tucker 310/342-5678, Susie Wong 916/445-2636

FOR IMMEDIATE RELEASE

STATE'S PAYROLL PROCESSING SYSTEM Y2K COMPLIANT

State Controller's Office Completes First Year 2000 Payroll Run For Employees And Retirees

SACRAMENTO, December 28, 1999 -- State Controller Kathleen Connell announced today that her office successfully processed the January 1, 2000, state payments for more than 778,000 active employees and retirees of the state's pension systems. During the production run, Connell's office printed 193,237 paper warrants and created a direct deposit electronic file for an additional 584,849 state employees and members of the state's retirement systems. Warrants are the state's equivalent of paychecks. The production run was the first major processing of data by the Controller's office bearing a Year 2000 date.

"The January 1, 2000, check run is complete, and all systems functioned flawlessly," said Connell. "State employees and retirees can be confident that their paychecks and pension income will not be delayed in the new year. We hope this eases some of the Y2K anxieties particular to this holiday season."

Connell's office conducted the January 2000 payroll run during its normal production period after months of preparation and testing for Y2K compliance. The State Controller's Office (SCO) was one of the first state agencies in California certified to be Y2K compliant by two independent audit firms. Tests conducted as early as October 5, 1998 indicated that the SCO was on track to meet its payroll processing obligations in the new year.

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State Payroll Y2K Compliant/2-2-2

"The State of California anticipates a routine delivery of paychecks and direct deposits to state employees and retirees," said Connell. "My office will begin this new millennium free of any Y2K delays."

The warrants processed include the January 2000 paychecks for all civil service employees, California State University employees, Legislators, State Constitutional Officers and retirees of the state's retirement systems (California Public Employees Retirement System and California State Teachers' Retirement System). Paper checks will be delivered to employees and retirees by December 31, and employees and retirees with direct deposit will have their earnings deposited in their financial institutes no later than January 3, 2000.

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For more information on the State's Controller's Office and Y2K readiness, visit our Web site at <http://www.sco.ca.gov>.